

owe our staying power and the means of organising and equipping a gigantic army.

What reasons have been given for abandoning Free-trade?

Mainly hatred of Prussianism and a desire to punish the German people for the conduct of their Government in provoking hostilities and for its methods of warfare.

These are, of course, natural feelings, which nearly 1,900 years of Christian teaching have not eradicated, but will indulgence in them be of any real advantage to us or our Allies after the War?

In the first place, the world, and especially the belligerents, will be much poorer, and there will be every reason why we should maintain a maximum of production, for which Free-trade and free imports are necessary.

Then if we punish Germany in such a manner we make her poorer, and therefore less able to make material restitution to those whom she has wronged; while by closing the avenues of international trade to Germany, she would be thrown back into brooding on herself and her grievances, and to the organisation of more militarism as the only means of escape from a position intolerable to her civil population.

This would be the blackest future for the whole world.

Then it is suggested that the Entente might be further cemented by a system of tariffs and preferential trading. Is this probable in itself, having regard to the complicated interests involved? The strongest argument used by Free-traders in the past has been that under Colonial Preference nothing like approximately equal benefits could be given to each colony, and that in any case the benefits would go to certain sets of producers, while the losses would go to the consumers, including all the non-favored producers.

If the Allies are brought in, the problem becomes far more difficult. In the production of food supplies Russia is the greatest competitor of Australia and Canada, except the two neutrals—the Argentine and the U.S.A.

—whose friendliness in this War has been invaluable to us.

Russia, moreover, declares she cannot lose the German market except on terms which she thinks it inconceivable that her Allies will give. France already realises that a Protectionist system in England must be injurious to her peculiar export trade in luxuries.

Then we are told that Germany has obtained a monopoly of certain trades which we cannot do without, and the instances usually given are dyes and glass.

The dye trade—invented in England—was lost by want of energy, and, it is said, by the difficulties made by the revenue authorities in the use of alcohol for manufacture.

Both these can be remedied without fiscal changes. No doubt the shortage of dyes—common to the whole world except blockaded Germany—has caused much inconvenience and loss to certain trade to which it is a legitimate cause for anxiety; but it does not materially diminish our capacity for conducting war, at the conclusion of which dyes will again be procurable.

There was a shortage of optical instruments at first, but this has been got over, though, no doubt, at a greatly increased price. There is, however, no reason to believe that any of the belligerent countries were by reason of their Protectionist system less dependent upon foreign countries for important supplies of raw materials or manufactured articles than was the United Kingdom.

No one can expect under any fiscal system to be perfectly prepared for such a gigantic cataclysm as this War. But surely our country has stood the shock best.

Free-trade has been tested in peace—it was the best system. It has now been tested in war, and has again proved the best system.

Do not let us abandon it; do not let us, in the late Lord Goschen's memorable words, lightly gamble with the food of the people.

June 20th, 1916.

CANADA'S PUBLIC DEBT.

Total Net Debt, September, 1911.....	\$323,938,768.74	Total Net Debt, March, 1916.....	\$555,027,542.73
“ “ “ September, 1915.....	484,841,633.73	“ “ “ April, 1916.....	573,213,386.11
“ “ “ November, 1915.....	501,668,167.71	“ “ “ May, 1916.....	577,896,690.85
“ “ “ December, 1915.....	515,144,019.37	“ “ “ June, 1916.....	593,910,637.81
“ “ “ January, 1916.....	527,488,999.94	“ “ “ October, 1916.....	695,778,516.55
“ “ “ February, 1916.....	537,530,696.21	“ “ “ November, 1916.....	706,128,082.14
		“ “ “ December 31, 1916	722,111,449.67